

STATE CONTROLLER'S OFFICE  
PERSONNEL/PAYROLL SERVICES DIVISION  
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DATE: October 21, 2003

PERSONNEL LETTER # 03-018  
CIVIL SERVICE ONLY

TO: All Agencies in the Uniform State Payroll System

FROM: JOHN R. HARRIGAN, Chief  
Personnel/Payroll Services Division

RE: **OCTOBER 1, 2003 GENERAL SALARY INCREASE AND PERSONAL LEAVE PROGRAM - CIVIL SERVICE/DPA EXEMPT EXCLUDED EMPLOYEES**

The compensation and benefits authorized by the Department of Personnel Administration (DPA) for civil service and DPA exempt excluded employees include a general salary increase (GSI) and a Personal Leave Program (PLP). Both actions are effective October 1, 2003 although the salary increase is effective July 1, 2003 for retirement final compensation purposes\*. Refer to DPA PML 2003-040 and DPA Pay Letters 03-CHP, 03-14 and 03-14A for further details.

\* PPSD will coordinate with CalPERS to ensure that the GSI rates are reflected on member records with a July 1, 2003 effective date.

Implementation of the PLP requires a variety of actions. An employee's base salary must be reduced by 5% in exchange for the equivalent of one day of personal leave credit. The PLP pay reduction will be achieved through the PLP differential earnings id (EID): 8PLP or 8PL6 (for employees aligned with bargaining unit 06). See above DPA Pay Letters for further details.

The GSI and PLP pay reduction occurred via an EH mass update or will occur manually for employees who were not included in the mass update (see below). Civil service excluded employees with CBIDs of C01-C21, S01-S21, M01-M21, E48, E58, E59, E67, E68, E77, E78, E79, E97, E98 and E99 were included in the update. DPA exempt excluded employees whose salaries are set by DPA and with one of the above CBIDs were also included in the update.

The GSI and PLP should be reflected in the October 2003 master payrolls for employees whose EH records are updated by the PPSD update processes. Adjustment payments for the first half of the 10/2003 pay period may be issued by October 20, 2003. See page 5, Section IV - Payroll Adjustments for additional information.

A Personnel Letter with further information and detailed processing instructions on the Personal Leave Program will be issued in the near future. Also, a Leave Letter will be issued providing CLAS information and procedures for the personal leave credits.

I. EH MASS UPDATE PROCESS

A. General Information

The GSI shall be documented via the EH GEN transaction with a 10/01/03 effective date. The GEN transaction will reflect the GSI within the employee's base salary rate. Likewise, rate changes for any established EIDs that are based on a percentage of the base salary rate will be reflected on the GEN transaction.

The GEN transaction will also reflect the addition of the PLP differential EID: 8PLP or 8PL6 (Pay Differential 273 or 279). Also, see below for special EH information related to employees with three established EIDs on their EH records.

## B. EH Mass Update

This EH mass update is the last of three EH updates to be done in October 2003 for the GSI and PLP. The previous updates occurred the nights of October 7, 2003 and October 9, 2003 (see Personnel Letters #03-015 and #03-016).

The last update occurred the night of October 16, 2003. The update posted the 10/01/03 effective date GEN transaction for the civil service and DPA exempt excluded employees in the above CBIDs except as indicated below.

Turnaround (TAD) PARs will now be issued for all employees updated in one of the mass update processes. The TAD PAR will also reflect the October 1, 2003 retirement rate change as outlined in Personnel Letter #03-017.

## II. EH MANUAL UPDATE PROCESS

PPSD and departments will need to manually update the EH records of employees who are not included in the above EH mass update.

### A. PPSD

PPSD will manually update the EH records of employees who:

- rejected from the mass update process; or
- have a plus salary rate; or
- have an out-of-sequence EH record (i.e., EH record reflects transactions with an effective date after 10/01/03).

The manual process began on October 17, 2003. TAD PARs will be issued from the manual update process as the employees' EH records are updated.

### B. Departments

Departments will need to manually update the EH records of employees meeting the following situations:

#### 1. Employees Who Separated Effective On/Before 09/30/2003 With Lump Sum Pay Extending Into The 10/2003 Pay Period

Processing information and instructions will be issued at a later date. It is not known at this time the impact of the GSI/PLP pay reduction to separated employees who received personal leave days for the lump sum pay periods extending into the GSI/PLP pay reduction period.

#### 2. Employees Who Separated Effective On/After 10/01/03

For employees who separated effective on/after 10/01/03 and the separation transaction is already posted, departments will need to:

- post the GSI and PLP pay reduction, if applicable, by processing a 10/01/03 effective date GEN transaction; and
- correct the EH separation transaction and if applicable, reflect the PLP credit in the lump sum vacation data field and correct or enter Item 962, Separation Pay At Alternate Salary Rate, to exclude the PLP pay reduction amount for lump sum pay purposes. See PAM page 2.149 for Item 962 coding instructions.

Due to system limitations, a separation PAR for an hourly rate paid employee with Item 962 completed requires special processing by PPSD. Thus, send the correcting separation PAR documentation to PPSD.

3. Employees under the 9-12, 10-12 or 11-12 pay plan If the employee is on work status as of October 1, 2003, process a 10/01/2003 effective date GEN transaction. Enter the PLP differential EID: 8PLP on the GEN transaction. If it is not entered, overpayments will result.

Also, enter the GSI salary rate on the GEN transaction for 9-12 or 11-12 employees. If it is not entered, the rate will be computed incorrectly by the EH on-line system.

4. Employees in the Limited Examination and Appointment Program (LEAP) Candidate classification (class code 4687)

If the LEAP employee is performing the duties of a parallel civil service/DPA exempt excluded classification that is entitled to the GSI, process a 10/01/03 effective date SAL transaction. Enter the GSI rate and PLP differential earnings id: 8PLP or 8PL6 on the transaction.

5. Employees in the New Program Consultant classification (class code 4661)

Process a 10/01/03 effective date GEN transaction as indicated in DPA Pay Letter 03-14. Enter the GSI salary rate and PLP differential EID: 8PLP on the transaction.

### III. SPECIAL EH PROCESSING INFORMATION/INSTRUCTIONS

#### A. EH Keying Restriction

Departments can resume EH keying for employees whose EH records are updated by the mass update process starting on October 17, 2003. EH keying can resume for employees involved in the manual update effort upon receipt of their TAD PAR.

NOTE: Departments must ensure that the PLP differential earnings ID: 8PLP or 8PL6 is reflected, as appropriate, on transactions key entered on/after October 17, 2003. Failure to do so could result in overpayments.

#### B. Out-of-sequence Processing

Once the employees' EH records are updated, the 10/01/03 GEN transaction could create an 'out-of-sequence' condition. Salary rate, if allowed, must be entered on any new out-of-sequence transaction. If not entered, the 10/01/03 GSI rate may be reflected on the transaction and could create an overpayment situation. See PAM Section 9 for further processing information.

If correcting a transaction with a 10/01/03 effective date that was keyed before the 10/01/03 effective date GEN transaction, the GSI Code O must be entered on the correction transaction. The GSI Code O denotes old salary rate. Key enter an alpha 'O' in the GSI field on the PAR1 update screen. Failure to enter the GSI Code O could result in an incorrect base salary rate and anniversary date, if correcting the 10/01/03 effective date MSA transaction.

#### C. Employees With Three Established EIDs

Existing EH System restrictions only allow three established EIDs on an employee's EH record. For employees with three established EIDs and updated by the mass update or PPSD manual process, one of the EIDs was deleted and replaced with the PLP differential EID: 8PLP or 8PL6. For the small number of impacted employees, a list or Form PSD 40, Notification of Correction/Cancellation of PAR Transaction(s), will be sent to departments identifying the affected employees and deleted EID.

Effective with the October 2003 pay period, the departments will need to pay the deleted EID manually via the PIP System process. See PPM Sections G100 and K for processing information.

#### D. Separation Pay

Lump sum pay is not to be affected by the PLP pay reduction. Departments will need to use the EH Item 962 on the separation transaction to issue lump sum pay at the appropriate rate. See PAM page 1.149 for Item 962 coding instructions.

If the separation PAR is for an hourly rate paid employee, send the PAR documentation to PPSD for special processing.

E. Overtime and Holiday Pay

The overtime pay and holiday pay are not to be affected by the PLP pay reduction. For regular overtime pay (non-FLSA overtime) and holiday pay - system generated rate (payment type S, payment type suffix H), the Payroll System will calculate the pay rate with the PLP differential EID: 8PLP or 8PL6 included. System changes are underway to exclude the differential and a Payroll Letter will be issued when the changes are implemented. Until then, departments will need to calculate and enter the pay rate for all overtime and holiday pay beginning with the October 2003 pay period.

See below for processing information related to pay that has already been issued. For new pay requests, use the EIDs that require the calculation and entry of pay rate. See PPM Sections G020-024 and G925-930 for further information.

F. Disability Pay

Disability pay is not to be affected by the PLP pay reduction. However, the impact of the PLP pay reduction on supplementation pay and pay for time worked while on disability are outstanding. Further processing information and instructions will be issued once clarification is received.

IV. PAYROLL ADJUSTMENTS

Regular pay and regular overtime pay (non-FLSA overtime) adjustments for the first half 10/2003 pay period could result for some employees once their EH records are updated for the GSI and PLP. Employees with a plus salary rate, or an established EID that is based on a percentage of the base salary rate, or an adjusted gross amount greater than \$0.05 per pay period should receive a retroactive adjustment payment. The adjustments, if applicable, should be made in the payroll cycle issue dated October 20, 2003 for employees whose EH records are updated via the mass update process. Employees on direct deposit should have their adjustment payment posted to their accounts by October 23, 2003. Adjustments, if applicable, for employees involved in the manual update effort should issue once their EH records are updated.

Any of the regular overtime pay adjustments that issue per above will be made with the PLP differential EID: 8PLP or 8PL6 included. Since overtime pay is not to be affected by the PLP pay reduction, PPSD will manually issue subsequent adjustments.

Departments will need to request adjustments to FLSA overtime payments (payment type 1, payment type suffix F) via the PIP System. See PPM Sections G020-024 and K for further information. Likewise, departments will need to submit Form STD. 674 to request adjustments for the following payments:

- regular pay with dock applied for employees with a mid-month change
- regular pay for employees on an alternate work schedule or paid from a shift designated agency code and time paid does not equal time possible for the pay period

Processing information for disability pay adjustments will be issued upon clarification of the impact of the PLP pay reduction to employees on disability leave.

V. CONTACTS

Questions regarding the GSI, range change, PLP pay reduction and EH/payroll processing information can be directed as follows:

SUBJECT AREA	CONTACT	TELEPHONE NUMBER
Salary/PLP Program	DPA	(916) 324-0439
EH Procedures	Personnel Operations Liaison Unit	(916) 322-6500
General Payroll	Payroll Procedures Liaison Unit	(916) 323-3081